Before the
Federal Communications Commission
Washington, D.C. 20554

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OFFICE OF SECRETARY

In the Matter of	)	
	)	
Review of the Commission's Regulations Governing Television Broadcasting	)	**MM Docket No. 91-221**
	)	
Television Satellite Stations Review of Policy and Rules	)	**MM Docket No. 87-8**

COMMENTS OF TRIBUNE BROADCASTING COMPANY

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Tribune Broadcasting Company ("Tribune"), the corporate parent of eight commercial television stations, hereby submits its comments in response to the Commission's Further Notice of Proposed Rulemaking ("FNPRM") in this proceeding.[1]

INTRODUCTION AND SUMMARY

Tribune has had a long and active role in radio and television broadcasting. Its first AM station, WGN, took to the

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[1] Tribune, through its subsidiaries, owns seven independent television stations: WPIX(TV), New York, New York; WGNO(TV), New Orleans, Louisiana; WGN-TV, Chicago, Illinois; KWGN-TV, Denver, Colorado; KTLA(TV), Los Angeles, California; WLVI-TV, Cambridge, Massachusetts; and WPHL-TV, Philadelphia, Pennsylvania. In addition, through another subsidiary, Tribune owns WGNX(TV), Atlanta, Georgia, which became the CBS affiliate in the Atlanta market in December 1994.

air in Chicago as an original "clear channel" signal in 1924. Two of Tribune's television stations, WGN-TV in Chicago and WPIX(TV) in New York, commenced operation in 1948. Tribune Company, the parent corporation of the Tribune Broadcasting Company, publishes (through subsidiaries) six daily newspapers.[2] Tribune also owns Chicagoland Television News ("CLTV"), a 24-hour regional cable news channel serving approximately 1.3 million homes in the Chicago area.

The free, over-the-air television broadcasting business has changed dramatically since Tribune helped pioneer it almost fifty years ago. The virtual explosion of cable television, with its wide variety of program offerings, has forever changed the way a majority of the American public receives its video programming.[3] Moreover, national cable network programmers have capitalized on multi-channel efficiencies unavailable to free, over-the-air television broadcasters to expand the range of their programming services at modest cost. These expanded offerings have increased the ability of cable networks to compete with independent, over-the-air television broadcasters for viewing audiences, for advertising revenue and for the most popular

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[2] The Chicago Tribune, Chicago, Illinois; The Sun Sentinel, Fort Lauderdale, Florida; The Orlando Sentinel, Orlando, Florida; The Times Advocate, Escondido, California; The Californian, Temecula, California; and The Daily Press, Newport News, Virginia.

[3] These changes will only be magnified by Direct Broadcast Satellite ("DBS") service and the impending competition of the Regional Bell Operating Companies ("RBOCs") and other telephone companies through both video dial tone ("VDT") and wireless cable networks.

syndicated programming. At the same time, cable MSOs have consolidated and expanded their local networks, thereby increasing their ability to compete with local independent television broadcasters for local advertising revenue and local sports programming.

The cable industry's expanded programming offerings -- supported by larger advertising revenues and subscriber fees -- have increasingly eroded the over-the-air television audience. Supported only by advertising revenues, independent television broadcasters like Tribune are finding it increasingly difficult to compete with horizontally integrated cable networks for the most popular syndicated programming. Independent stations, unlike network affiliates, must produce or acquire programming for their entire broadcast day. Because continued access to the most popular syndicated programming is vital to the continued health of independent television broadcasters -- allowing them to provide free, over-the-air entertainment, news, children's and public affairs programming that the Commission has recognized as vital to the public interest -- Tribune urges the Commission to take the steps necessary to allow independent television broadcasters to meet these competitive challenges.

To permit independent television broadcasters to meet these new competitive challenges, Tribune supports the relaxation of both the national and local ownership rules. Specifically, Tribune urges the Commission to:

> 1) eliminate entirely the national station ownership limit and immediately increase the national audience cap to 35 percent while retaining the so-called UHF discount; and
>
> 2) increase the audience cap to 50 percent after one year; and
>
> 3) permit common ownership of two television stations in a local market, provided that one of the stations broadcasts on a UHF channel.

These changes will not protect independent television broadcasters from competition. Rather, they will merely allow them to compete fairly with the largely unregulated national cable networks and cable MSOs.

Tribune will demonstrate in its comments below that these proposals are necessary to ensure the continued availability of free, over-the-air television from independent providers into the twenty-first century. Tribune's comments will first detail the increasing competitive challenge faced by independent television broadcasters from the cable industry. Next, the comments will demonstrate that the Commission's diversity policy will be enhanced, not diminished, by permitting increased group ownership because committed group owners like Tribune invest in and create local news and public affairs programming in ways that no single-station owner can. Finally, the comments will illustrate that local duopolies will enhance competition and viewpoint diversity in the local marketplace.

COMPETITION FROM THE CABLE INDUSTRY

Over-the-air independent television broadcasters face an increasing competitive threat from the cable industry. Cable television has dramatically increased its total-day audience share in the past decade when compared to over-the-air, independent broadcasters. Moreover, cable networks and MSOs have integrated both horizontally and vertically in ways that meaningfully increase their ability to compete with independent television broadcasters for both advertising revenue and the most popular syndicated programming. Tribune urges the Commission to recognize this increasing threat and adopt rule changes to permit independent broadcasters to compete more effectively with the increasingly integrated cable industry.

Audience Competition: Cable television is now, without doubt, an accepted provider of video programming for a majority of the American public. Cable television passed over 94 percent of the television households in the United States at the end of 1994. Cable TV Programming, Paul Kagan Associates, Inc., February 27, 1995, at 5. Nationwide cable penetration by cable MSOs was approximately 62 percent (reaching almost 60 million television households out of a universe of 95 million television households) at the end of 1994. Id.[4]

The average cable home receives, in addition to six over-the-air commercial television stations, over 30 cable channels, including a variety of basic cable networks, pay cable services and pay-per-view offerings. Review of the Prime Time Access Rule, FCC 94-123, Notice of Proposed Rule Making ¶ 18 n.30, p. 11 (released October 24, 1994). Cable subscribers increasingly are taking advantage of these options. In 1994, basic cable networks collectively received an overall total-day audience share of 38 in all cable homes (26 in all television households) and a 22 share during prime time in cable-homes. Cable TV Advertising, Paul Kagan Associates, Inc., February 28, 1995, at 4.[5] By contrast, independent television broadcasters (including affiliates of the Fox network) collectively received an overall total-day audience share of 18 in all cable homes (22 in all television households).

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[4] The combined penetration of cable MSOs, wireless cable, DBS, satellite master antenna television systems ("SMATV") and other alternative providers was estimated at 69 percent nationally (approximately 66 million television households) at the end of 1994. Cable TV Programming, Paul Kagan Associates, Inc., February 27, 1995, at 5.

[5] In 1994, the combined total-day audience share of the basic cable networks and the various pay services (e.g., HBO, Showtime) almost equaled the combined total-day audience share of commercial, over-the-air broadcasters (networks plus independents) in pay cable homes (a combined 52 for cable services vs. a combined 58 for over-the-air commercial broadcasters). Id. Audience share results exceed 100 due to viewing in multiple set homes.

Moreover, the popularity of the basic cable networks has been growing rapidly. Since 1983, the basic cable networks' total-day audience share in cable homes has grown from a 15 (7 in all television homes) to 29 (18 in all television households) in 1989 to its current 38 share in 1994. Id. These numbers reflect an astounding 253 percent increase in total-day audience share in cable homes from 1983 to 1994 and a 371 percent increase in total-day audience share among all television households.[6]

By contrast, the combined total-day audience share of independent, over-the-air broadcasters have remained virtually flat during this period. In 1983, the combined total-day audience share of independent television broadcasters (including stations that are now Fox affiliates) was 18 in cable homes and 18 for all televisions households. Id. Today, the combined total-day audience share of independent stations is still 18 in cable homes and has increased only slightly in all television homes, from 18 to 22. Id.

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[6] The basic cable networks have made significant inroads against the big three networks. The combined audience share of the big three networks in prime time fell to an all-time regular season low of 57 for the 1994-95 season. "Big Three Post Record Share Slide," Broadcasting & Cable, at 8 (April 10, 1995). The cause of the big three networks' decline in 1994-95 prime time is due in part to the cable networks' aggressive development of "more original entertainment fare." "Big Three Post Record Share Slide," Broadcasting & Cable, April 10, 1995, at 8. During the 1994-95 season, basic cable networks were the principal beneficiaries of the networks' collective decline, adding 2.7 share points (or 1.6 million homes) to their average prime time viewing over the preceding season. Id.

However, when the results of Fox network affiliates are excluded from these numbers, it is vividly clear that the average audience share of the remaining independent stations has declined substantially over this same period. Additionally, while the collective audience share of independent stations remained virtually flat from 1983 to 1994, the number of independent, commercial television stations grew from 82 in 1970 to over 450 in 1994 (an increase of almost 450 percent). Review of the Prime Time Access Rule, supra, ¶ 16, p. 10. Thus, there are far more independent stations dividing a static share of the viewing audience.

Cable Network Competition: This decline in the average audience share of independent, over-the-air television viewing is directly attributable to the growing audience acceptance of and improved programming offered by the basic cable networks. Moreover, many of the most popular basic cable networks look very much like independent television stations, relying heavily upon syndicated and sports programming to attract an audience.

Eighty-five percent of basic cable's prime time audience share was divided among 10 of the 30 largest, most established cable networks. Cable TV Programming, Paul Kagan Associates, Inc., February 27, 1995, at 4-5, 9-10.[7] These networks, ranked by ratings, were: USA, TBS, TNT, ESPN,

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[7] Audience share statistics are from the fourth quarter of 1994.

Lifetime, CNN, The Nashville Network, the Discovery Channel, A&E and the Family Channel. Id. At least five of the top ten cable networks -- USA, TBS, TNT, Lifetime and The Family Channel -- rely in significant part on the same syndicated programming that free, over-the-air independent television broadcasters rely upon.

The growth in audience share of these basic cable networks has been driven in part by their ability to purchase more popular syndicated programming, including movies. The basic cable networks have increased their ability to purchase this programming by expanding horizontally, thereby increasing the number of channels they offer. Between 1982 and 1994, the number of basic cable networks grew from 34 to more than 100. Review of the Prime Time Access Rule, supra, ¶ 19, p. 12; see Report on the Impact of Going Forward Rules at 3 (Cable Serv. Div. Mar. 23, 1995) (113 existing cable networks today; 133 new national cable networks with plans to begin service in 1995).

Many of these new basic cable networks were launched very efficiently by existing basic cable programmers who capitalized on their sales, promotional and administrative infrastructure already in place. This efficiency allows national cable programmers to develop and exploit new audience segments at small incremental costs, enabling them to devote a larger percentage of their overall revenues to the acquisition of syndicated programming. This in turn allows them to attract more and more national advertising revenue which funds even further audience exploitation and development.

Traditionally, off-network series and motion pictures were released in syndication -- primarily to independent television stations -- before they received any exposure on basic cable. As basic cable networks have expanded their national reach and their buying power, using the dual revenue sources of advertiser dollars and subscriber fees, syndicators of movies and series have in some cases bypassed independent stations and sold their product directly to basic cable networks. As a consequence, independent television stations are being deprived of one of the mainstays of their programming schedules, or are being forced to wait until movies have received multiple exposures on cable television, which devalues them substantially.

Turner Broadcasting's recent launch of two new cable networks is a good example of this horizontal expansion. Three of the six most popular basic cable networks (TBS, CNN and TNT) are programmed by Turner Broadcasting. Cable TV Programming, Paul Kagan Associates, Inc., February 27, 1995, at 4-5, 9-10. With the established popularity of these basic cable channels, Turner was able to launch two new cable networks, Turner Classic Movies and the Turner Cartoon Network, at a fraction of the cost it would take a new programmer to start similar channels. In particular, Turner's existing infrastructure -- both its administrative and sales staffs and its ability to cross-promote the new channels -- allowed it to start these new networks at a cost of about 38 percent of the estimated stand-alone start-up costs of similar networks (amounting to an estimated savings of $22 million). Id. at 1.

The changes supported by Tribune in this proceeding would permit independent television broadcasters to capitalize on these same efficiencies. By increasing the national audience cap and permitting local duopolies, the Commission will allow independent broadcasters to compete with these basic cable programmers by: 1) allowing these broadcasters to offer national audience exposure more efficiently to syndicated programmers and 2) permitting these broadcasters to expand the audiences they serve by efficiently using their existing infrastructure in local markets. Both proposed Commission actions will improve the ability of free, over-the-air independent television broadcasters to compete for advertising revenue and the most popular syndicated programming. Without these pro-competitive changes, independent television broadcasters will be increasingly hard-pressed to compete in the soon to arrive 500-channel world and the most popular syndicated programming may become available only to those Americans who are able and willing to pay for cable television.

MSO Competition: Cable MSOs have also played a role in increasing the cable industry's competitive threat to independent television broadcasters. The recent trend of cable MSOs toward geographical consolidation of franchise areas (i.e., clustering) has been well documented. "Cable Clustering Makes For Active Market: virtually all top system operators make or consider deals during the past year," Broadcasting & Cable, March 6, 1995, at 53. This consolidation has permitted cable MSOs to compete more efficiently with independent television broadcasters for local advertising revenue as well as for local and regional sports programming. Cable MSOs have also integrated vertically into sizeable ownership interests in cable networks and programmers by leveraging their growing franchise areas (and the households they serve), thereby improving the ability of these networks to launch additional programming channels by guaranteeing substantial nationwide clearances.

Cable MSOs have traditionally functioned like television network affiliates, retaining a portion of available advertising time on each of the cable networks they carried. In competing with television broadcasters for local advertising sales, cable MSOs were at a disadvantage because they could not deliver an entire local market in a single advertising sale.

Clustering helps to eliminate this disadvantage. Through clustering, cable MSOs like Time Warner and TCI can sell local advertising time in the various basic cable networks for their cluster's entire geographic region, rather than merely a subset of the area.[8] For example, Time Warner sells advertising in all of New York city on the basic cable networks it carries on its cable systems (including a number of channels in which it owns an interest) and on New York 1, a cable news channel it recently launched. By consolidating in New York city, Time Warner can sell advertising covering on dozens of channels with <u>one sales team</u> to the very same local advertisers serviced by television broadcasters. Unlike Time Warner, however, each broadcaster's sales team can sell only one channel to these local advertisers.

Clustering also allows cable MSOs like Time Warner to save on "back office" operations like engineering, traffic and maintenance by being able to run its operations (<u>e.g.</u>, inserting commercials sold by the local sales staff) in New York city at one headend, rather than at the headends of multiple local systems. These savings, which are substantial especially in large markets like New York, can in turn be used for expansion and/or programming.[9]

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[8] Even in markets not dominated by a single cable MSO, local cable operators across the region still compete with television broadcasters for advertising revenue. Independent cable systems in many markets have formed Interconnects that take a portion of each cable system's commercial inventory on a variety of basic channels and sell it across the geographic region.

[9] Time Warner's operations in New York have been used as an example but are in no way unique. Cable MSOs are all pursuing operating efficiencies through clustering and vertical integration with programming channels.

(continued...)

Cable MSOs have used their local networks to form regional sports cable channels. These channels compete directly with local broadcasters for the broadcasting rights to local sporting events. For example, TCI has ownership interests in a number of regional sports channels, including:

Network	% Interest	Service Areas
Home Sports Entertainment	77%	AR, LA, NM, TX, OK
Home Team Sports	23%	DC, DE, MD, NC, PA, VA, WV
KBL Sports Network	100%	MD, NY, OH,PA, WV
Prime Sports Network-Intermountain West	100%	ID, MT, NV, UT, WY
Prime Sports Network-Midwest	77%	IL, IN, KS, KY, MO, OH
Prime Sports Network-Upper Midwest	42%	IA, MN, ND, SD, WI
Prime Sports Northwest	60%	AK, ID, MT, OR, WA
Rocky Mountain Prime Sports Network	51%	CO, KS, NE, NM, WY
Sports Channel Chicago	50%	IA, IL, IN, WI
SportsChannel Pacific	50%	CA, HI, NV
SportsChannel Philadelphia/PRISM	26%	DE, NJ, PA
SportSouth Network	33%	AL, GA, MS, NC, SC, TN
Sunshine Network	42%	FL

[9] (...continued)
For example, TCI is the largest MSO in the Chicago area. Thus, it is able to use one local sales staff to sell all the basic cable networks carried on TCI's system plus advertising on its Sports Channel that, as discussed below, competes directly with WGN-TV for broadcast rights to sporting events.

Thus, in Chicago, Sports Channel Chicago competes with Tribune's WGN-TV for the broadcast rights to local sporting events like Chicago White Sox baseball and Chicago Bulls basketball.

Finally, the largest cable MSOs, Time Warner, TCI and Cablevision Systems, have also integrated their increasingly larger horizontal networks -- and the cable homes they access -- vertically into significant equity positions in many basic cable networks. TCI and Time Warner have acquired equity positions in a number of basic cable networks, including:

Network	TCI	Time Warner
Encore	90%	0
Home Shopping	79%	0
Discovery/ Learning	49%	0
QVC/Q2	43%	0
Court TV	33%	33%
TBS	23%	20%
CNN	23%	20%
CNN Headline News	23%	20%
TNT	23%	20%
BET	21%	18%
Family	18%	0
E!	10%	48%
Comedy-Central	0	50%

Similarly, Viacom, another large cable MSO, owns 100% of the basic cable networks MTV, VH-1, and Nickelodeon and 50% of Comedy Central and the USA Networks, including USA and the Sci-Fi Channel.

This strategic vertical integration has enhanced the ability of certain established cable network programmers to launch new programming channels by ensuring substantial nationwide clearances over the networks of their MSO partners. For example, Turner Broadcasting's recent launch of two new cable channels was substantially assisted by its ability to clear the channels over the cable systems of its partial cable MSO owners, TCI and Time Warner. By virtue of its ability to gain substantial nationwide clearances quickly, Turner Broadcasting projects that its Turner Classic Movie channel will be profitable sometime in 1995 -- only one year after its launch. "Turner Movie Channel Packs 'Em In," Broadcasting & Cable, April 17, 1995, at 26.

This vertical integration also assisted cable networks by increasing the revenues available to purchase programming. Large cable MSOs repeatedly increased cable rates to consumers in the 1980s, blaming in large part an increase in payments the MSOs made to the cable networks that the MSOs themselves at least partially owned. These fees were funneled to cable networks who used the additional revenue to compete with independent, over-the-air television broadcasters for syndicated programming. While the Commission's recent regulations have stemmed the tide of rate increases (at least for now), subscription fees nonetheless represent a significant competitive advantage for the cable industry.

Quite clearly then, the increasingly integrated cable industry poses a substantial threat to the ability of independent over-the-air television broadcasters to compete. The basic cable networks have significantly improved their audience reach in the past eleven years in part by capitalizing on programming efficiencies and expanding dramatically the number of cable channels they program. At the same time, cable MSOs have been free to pursue horizontal and vertical affiliations on a national basis that permit them to compete with independent television broadcasters for local programming and advertising. Both developments have generated additional revenue for the cable industry which has, in turn, been used to compete with independent television broadcasters for the most popular syndicated programming.

Tribune does not seek any special protection from this competition. Rather, Tribune urges the Commission to permit it to meet this aggressive and largely unregulated competition by changing those rules that restrict independent, over-the-air television broadcasters from using expanded group ownership and local duopolies to produce the economic efficiencies already enjoyed by the cable industry. Without such procompetitive steps, the ability of independent television broadcasters to provide free, over-the-air television service will be increasingly threatened.

DIVERSITY

Given the challenge faced by television broadcasters from the cable industry and the looming entry of the RBOCs in the market, Tribune is concerned with the sentiment expressed at various points in the FNPRM that the Commission's diversity criteria will otherwise limit the competitive responses television broadcasters will be permitted to take in the marketplace. This sentiment is most clearly seen in the Commission's discussion of the number of competitors that must remain in a marketplace for it to remain competitive:

> One approach to answer this question would be to focus upon the DOJ/FTC merger guidelines in deciding upon the minimal number of independent suppliers we would allow. However, <u>we are concerned that, given our diversity requirements, a merger guideline based standard might be too low</u>.

FNPRM ¶ 123 (emphasis added).

While the Commission has correctly observed that broadcasters have "bedrock public interest obligations" (FNPRM ¶ 66) not shared by cable television providers (much less any of the emerging video providers), these public interest obligations should not be used to prohibit or in any way limit the ability of the television broadcasting industry to respond to the competitive challenges in the marketplace. Indeed, this sentiment is dangerous to the Commission's own viewpoint diversity objectives. If, in the name of viewpoint diversity, the Commission were to restrict the competitive response of the industry that has the largest public service/diversity obligations, the Commission could very well relegate that industry to a less and less prominent role in the marketplace of the future. Such a result would be inimical to the Commission's public policy objectives.

As set forth in the next section, Tribune's group ownership has fostered the development of local news and public affairs programming -- the Commission's "core concern" with respect to viewpoint diversity. FNPRM ¶ 72. As the broadcasting industry faces more and more competition from cable, DBS, MMDS and VDT providers, Tribune believes the television broadcasting industry will increasingly emphasize its local news and public affairs programming as a way to distinguish its product in the marketplace. Tribune submits, therefore, that permitting the television broadcasting industry to respond effectively to the competitive challenges in the marketplace is the best way for the Commission to ensure the enhancement of viewpoint diversity in the marketplace.

NATIONAL OWNERSHIP LIMITATIONS

Tribune supports elimination of the national station cap and an increase in the national audience reach limit to 35 percent while preserving the UHF discount. Tribune also urges the Commission to increase the audience cap to 50 percent in one year.[10] These changes in the national ownership rule are not inconsistent with the concept of "localism" -- one of the policy arguments often cited by those opposed to increasing national ownership limits. Rather, as demonstrated below, true "localism" lies in committed group owners like Tribune, who use the efficiency benefits generated by group ownership to produce a wide variety of high quality local news and public affairs programming as well as increased national news coverage.

LOCALISM: Tribune vigorously disputes the traditional notion that group ownership decreases viewpoint diversity by decreasing outlet diversity. This idea, often espoused under the banner of "localism," ignores the economic benefits that flow from committed group ownership -- benefits that translate directly into local news and public affairs programming that the Commission has recognized is its "core concern" with respect to viewpoint diversity. FNPRM ¶ 72.

Tribune's group ownership has permitted its stations to increase the amount of high quality local news and public affairs

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[10] Tribune submits that the current ownership cap is too restrictive. Tribune's current national audience reach is 21 percent. Of this number, 16 percent is a compilation of the audience in the three largest markets -- New York, Los Angeles and Chicago. A number of other group owners own stations in those markets, including ABC/Cap Cities, CBS, NBC and Fox. With these other players in those top three markets, Tribune is competitive but in no way dominant. Accordingly, if the 25 percent cap was adopted to prevent one entity from controlling the nationwide market, it is unduly restrictive at least as it applies in the largest markets.

programming as well as national news coverage in a way that no single-station owner could. Tribune's group ownership has created substantial operating efficiencies in the form of administrative and overhead savings, more efficient program purchasing and personnel development. Moreover, group ownership permits the pooling of economic risks (including programming risks) and permits an owner to develop a history of business success that allows it efficient access to the financial markets.

These economic efficiencies have permitted Tribune to invest in and create the programming that the Commission has recognized in this very proceeding as "central to [its] concerns with diversity." FNPRM ¶ 66. A few examples will illustrate the benefits of Tribune's group ownership.

<u>Local News and Public Affairs Programming</u>: High quality local news and public affairs programming is an expensive undertaking. It requires both large initial financial outlays and a significant continuing commitment on the part of station management to support such programming while waiting for audience acceptance in the marketplace. It also requires the financial capacity to absorb these costs in the event that audiences never develop. As demonstrated below, Tribune has used the economic benefits of group ownership to increase the amount of local news and public affairs programming provided by its stations by making these financial commitments.

For example, Tribune launched a 10 p.m. local newscast at WGNX(TV) in Atlanta in 1989. The start-up cost for providing a competitive, credible, high quality newscast was substantial: approximately $1.5 million in one-time capital expenditures plus another $2.4 million in annual operating expenses. More importantly, the $2.4 million in operating expenditures were recurring costs that significantly exceeded projected revenues in the first few years of operations -- local news programs require time to build credibility and establish an identity in the marketplace. In addition, the decision to launch a local news was made at a time when WGNX was suffering from a substantial overall negative cash flow.

Because of the cost savings realized from group ownership and the ability to spread programming risks over its station group, Tribune was nonetheless able to make such an investment in Atlanta. After several years of substantial cash flow shortfalls, Tribune's investment paid off. Even before WGNX became a CBS affiliate, its 10 p.m. newscast gained a foothold among the viewing public and challenged competing late night newscasts for audience ratings. This performance, in turn, attracted sufficient advertising support to permit WGNX to begin to recoup some of its financial outlays.[11] There is no question, however, that Tribune's ability to create a high quality, local

[11] Today, as a CBS affiliate, WGNX has moved its late night newscast to 11 p.m., has started a noon newscast and will soon begin an early evening newscast.

news broadcast was facilitated by the economic benefits flowing from its group ownership.

Tribune has made a similar commitment to high quality local programming in New Orleans. WGNO(TV), despite a relatively small revenue base, will spend approximately $1.15 million in 1995 on a variety of local programming to boost its presence in the market. The local shows include:

Real New Orleans	a monthly, feature oriented, magazine show highlighting interesting people and places in the New Orleans area. This show has won several Emmy awards, press club awards and IRIS awards.
Friday Night Football	a weekly live high school football feature and highlights show featuring weekly scholar-athlete segments, remote shots from 12 area games and updated scores from between 100-120 additional games throughout the state. Although slow in developing, this show's audience now challenges network offerings in its time period.
N.O. It Alls	a weekly game show featuring local contestants answering questions about the New Orleans history and culture. The program is just starting to achieve rating success after two years on the air and one year of development.
Cease Fire	a weekly show addressing the local crime problem, featuring segments taped on location with advice/ discussion sessions and safety tips.

Saints Sideline	a weekly magazine show featuring highlights, discussion and analysis of New Orleans Saints football. This show has won several press club awards.

Although a number of these shows have been critically acclaimed and enjoy enthusiastic viewer support, they did not achieve such success instantaneously. Rather, they required a significant commitment from Tribune to invest in producing and promoting the programming until an audience could be developed. Moreover, Tribune's investment in this local programming began at a time when the New Orleans economy was reeling from the recession in the oil industry. Without question, the economic efficiencies generated from Tribune's group ownership and its willingness to invest some of the resulting savings made this kind of local programming possible.

Tribune also successfully launched a new morning news program in 1991 on its Los Angeles station, KTLA(TV). This program followed a similar pattern to the WGNX experience. The show required a significant start-up investment and then a continuing financial commitment while it developed audience acceptance. Today, KTLA's local morning news show attracts a larger audience than the CBS Morning News, ABC's Good Morning America and NBC's Today Show in the Los Angeles market. Based in part on this success, KTLA has launched a news program at noon as well. In the same vein, WGN-TV in Chicago has started a morning news program.